

Central Maine Power Company
Computation of Return on Equity
Calculation for Earnings Sharing Mechanism
(Dollars in Thousands)
Using Calendar Year 1999

Electric Operating and Other Non-Utility Revenues		\$948,362
Less Total Operating Expenses	\$820,096	
Plus Equity Earnings	5,051	
Plus Total Other Income	35,766	
Less Total Interest Charges	50,487	
Less Income Taxes	49,856	
Less Dividends on Preferred Stock	3,315	
Earnings Applicable to Common Stock		\$65,425
Plus: Miscellaneous Income Deductions After Taxes (Page 2)		4,436
Less: Amortization of Acquisition Adjustment		-
Adjusted Earnings Applicable to Common Stock		\$69,861
Total Common Equity (Page 3)		\$ 447,285
Calculated Return on Common Equity		15.62%
Bottom-end Return on Common Equity		5.20%
Amount Below Bottom-end		0%
50% of Amount Below Bottom-end		0%
Dollar Amount to Recover from Customers, Including Income Taxes		\$ 0

Source is CMP Financial Statements

Central Maine Power Company
Items Excluded From the
Computation of Return on Equity Calculation
for Earnings Sharing Mechanism
Using Calendar Year 1999
(Dollars in Thousands)

Miscellaneous Income Deductions (a):

		Total
415	Revenues from Merchandising, Jobbing and Contract Work (b)	\$ (247)
416	Costs and Expenses of Merchandising, Jobbing and Contract Work (b)	318
417	Revenues from Nonutility Operations	(360)
417.1	Expenses of Nonutility Operations	330
418.0	Nonoperating rental income	63
426.1	Donations	497
426.2	Life Insurance	(103)
426.3	Penalties	182
426.4	Expenditures for Certain Civic, Political and Related Activities	743
426.5	Other Deductions	<u>5,660</u>
	Miscellaneous Income Deductions Before Taxes	7,083
	Less Income Taxes	<u>2,647</u>
	Miscellaneous Income Deductions After Taxes	<u><u>\$ 4,436</u></u>

(a) Constitutes expenses not allowed by statute or rule to be recovered from ratepayers.

(b) Includes Electric Thermal Storage Program

Capital Structure
for the Profit Sharing Mechanism
(Dollars in Thousands)
Using Calendar Year 1999

<u>Capital Structure</u>	At December 31, 1999	% Capitalization
Common Equity	\$ 520,676	
Less: Unamortized Acquisition Premium	-	
Net Common Equity	520,676	71.85%
Preferred Stock	45,481	6.28%
Long-Term Debt	88,469	12.21%
Short-Term Debt	-	0.00%
Medium Term Notes	70,000	9.66%
Total	\$ 724,626	100.00%

<u>Capital Structure</u>	At December 31, 1998	% Capitalization
Common Equity	\$ 495,984	
Less: Unamortized Acquisition Premium	-	
Net Common Equity	495,984	42.08%
Preferred Stock	63,481	5.39%
Long-Term Debt	277,249	23.52%
Short-Term Debt	15,000	1.27%
Medium Term Notes	327,000	27.74%
Total	\$ 1,178,714	100.00%

<u>Capital Structure</u>	1999 & 1998 Average	% Capitalization
Common Equity	\$ 508,330	
Less: Unamortized Acquisition Premium	-	
Net Common Equity	508,330	53.41%
Preferred Stock	54,481	5.72%
Long-Term Debt	182,859	19.21%
Short-Term Debt	7,500	0.79%
Medium Term Notes	198,500	20.86%
Total	\$ 951,670	100.00%

The Common Equity Ratio to be used in the Earnings Sharings Calculation is the lower of either the average common equity ratio calculated above or 47%.

Total Avg Capital Structure	\$ 951,670
Earning Sharings Cap	47%
Total Common Equity	\$ 447,285